

Overview and Application Process for Section 531 Environmental Infrastructure Program

October 2001

Understanding the Section 531 Program for Southern and Eastern Kentucky PRIDE

I. PROGRAM BACKGROUND

Section 531 of the 1996 Water Resources Development Act set up a program whereby the U.S. Army Corps of Engineers can provide design and construction assistance for water related environmental infrastructure projects in Eastern and Southern Kentucky. These projects must address wastewater, water supply and surface water resource and related problems. All projects will be cost shared 75 percent Federal and 25 percent non-Federal from the local sponsor (certain Federal funds may be used as matching funds). **IF SELECTED, THERE IS NO GUARANTEE THAT FUNDING WILL BE AVAILABLE SINCE FUNDING IS BASED ON ANNUAL APPROPRIATIONS AND THE USE OF FUNDS BY OTHER PROJECTS.**

II. ELIGIBILITY

Areas eligible for assistance include: Bell, Breathitt, Clay, Floyd, Harlan, Jackson, Johnson, Knott, Knox, Lawrence, Laurel, Lee, Leslie, Letcher, Magoffin, Martin, McCreary, Menifee, Morgan, Owsley, Perry, Pike, Pulaski, Rockcastle, Wayne, Whitley, and Wolfe counties. A map of the area is contained in Figure 1. Within the areas listed above, those eligible to apply are any public or non-profit entity that is capable of financing the project and providing for operation and maintenance of the project once completed. This may include, cities, counties, or public service districts.

III. PROGRAM OBJECTIVES

The primary objective of the program is to provide environmental infrastructure assistance to Southern and Eastern Kentucky. The focus of this program is to demonstrate how the Corps can adapt its requirements and marshal its resources toward the delivery of environmental infrastructure. An overall listing of the detailed program objectives follows.

1. Effectively and Efficiently Implement Congressional Intent - Provide design and/or construction assistance.
2. Establish Needs - Compile a database representative of the regional need for environmental infrastructure.
3. Coordinate with Other Agencies
 - a. Provide assistance in a manner consistent with other existing infrastructure delivery programs.

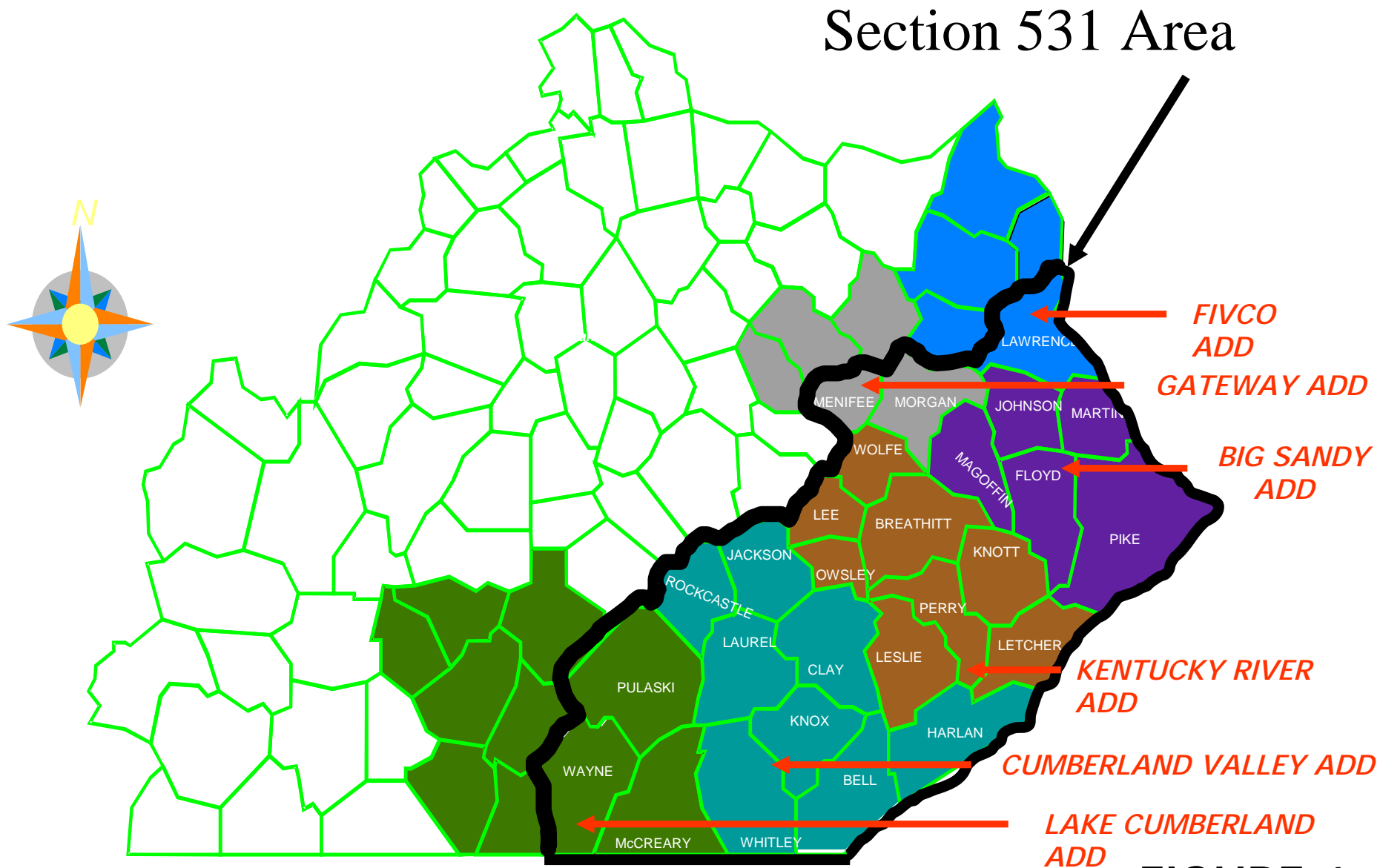


FIGURE 1

b. Incorporate other infrastructure funding sources when possible in order to leverage infrastructure funds to the maximum degree possible.

c. Maintain close coordination to other agencies through regional workshops, participation in related activities, and annual updates.

d. Involve other State and Federal agencies in the selection process, as practicable.

4. Develop Project Selection Process and Criteria

a. Streamline application process as much as possible.

b. Develop a selection criterion that includes public health and safety needs and the preservation and protection of environmental resources.

c. Include a criterion that incorporates the use of innovative criteria.

d. Provide assistance to projects that have demonstrated an ability to organize preliminary engineering and financial feasibility studies.

e. Ensure selection of fiscally viable sponsors by preparing financial assessments.

f. Provide assistance to projects with potential for expanded future economic development opportunities.

g. Develop a selection process that objectively distinguishes between project applicants based on these objectives.

5. Conduct demonstrations of innovative technology applications using Section 202 funding where possible.

6. Establish Program Policies and Procedures

a. Establish Policies and Procedures that are transferable, flexible and meaningful for an expanded Corps mission in meeting the nation's infrastructure needs.

b. Coordinate with Division and Headquarters to incorporate policies that enhance the program and modify existing regulations and policies in order to minimize bureaucratic obstacles to program delivery.

c. Document the results of the program, along with recommendations concerning whether or not similar programs should be implemented on a national basis in the 1999 report to Congress.

IV. WHAT PROJECTS HAVE PRIORITY?

Although Section 531 allows for assistance with a variety of water related infrastructure needs, only applications that improve water quality are being considered at this time. This is in keeping with the overall PRIDE (Personal Responsibility In A Desirable Environment) initiatives. To ensure that program objectives are addressed, three categories of projects are established including:

1. Projects that demonstrate **innovative** approaches to problems.
2. Projects that address **rural** areas not likely to be addressed in the near future by other traditional funding sources.
3. Projects that are eligible for other funding programs but still need a small amount of financial assistance to be implemented (**need-a-boost**).

V. APPLICATION PROCESS

Applications are to be sent to the PRIDE office in Somerset. All applications will be collected and sent to the Corps. Applications should include documentation that addresses the evaluation criteria listed on the attached sheets. The mailing address for the PRIDE office is:

Eastern Kentucky PRIDE Office
2292 South Highway 27
Somerset, KY 42501

Applications must be postmarked by **DECEMBER 14, 2001**. All groups are encouraged to apply immediately.

The application process contains three steps.

1. Threshold Criteria (reviewed by the Corps of Engineers)
2. Rating Sheet (reviewed by the Corps of Engineers and the Division of Water, Commonwealth of Kentucky)
3. Regional Importance (As determined by the PRIDE Board)

A. Threshold Criteria

The following list has been established by the Corps of Engineers to be used as threshold criteria. The applicant must address each criterion.

1. Cost share funds (25%) are currently available for use or a clear plan to obtain funds is in place.
2. Local sponsor is a public entity (political subdivision).

3. Project involves the design and/or construction of a public water or sewer project.
4. Sponsor has the capacity to operate and maintain the proposed project.
5. Total project cost (design and construction) must be greater than \$200,000.
6. There must be no issues or conflicts with other funding sources or projects.
7. Identify complementary projects, if any.
8. Identify previous design and/or construction activities.
9. Identify which project category (Innovative, Rural, or Need-A-Boost).

B. Rating Sheet

The Corps and other state and Federal interests developed numeric scoring criteria to specifically address each of the three priority categories. A copy of the three rating sheets is attached to aid in preparation of applications. Applicants can submit a proposal under any of the three priority areas: **innovative**, **rural**, and **need-a-boost**. The applicant should clearly identify which category the

Innovative project proposals will be rated on the following criteria: readiness; likelihood of successful performance of the innovative project; system size/need (number of straight pipe discharges eliminated, population served, etc.); cost effectiveness; potential for use in promoting technology transfer; proximity to existing projects; and ability to operate and maintain.

For projects that serve “rural areas”, the criteria will include consideration of the following: readiness; system size/need (same as above); proximity to existing projects; other funding commitments; public health need; and ability to operate and maintain.

Selection of projects in the third category, needing some financial assistance, will be based on: readiness; system size; complexity; other committed funding; public health need; and ability to operate and maintain.

C. Regional Importance

By definition this criteria will vary from application to application. Applicants should address the following:

1. Economic development
2. Accessibility to site, if an innovative project.
3. Consideration of how the proposal will impact other entities or projects.
4. Relationship with the overall county or area-wide wastewater management plan.
5. Any other considerations or information pertinent to this project but not addressed elsewhere.

VI. POST PROJECT SELECTION

Once the project is selected, detailed implementation and financial plans will be developed. The non-Federal cost share sponsor must then execute a Project Cooperation Agreement (PCA) with the U.S. Army Corps of Engineers. The PCA will outline the rights and responsibilities of both the Federal and non-Federal partners in the completion of the project. A non-Federal partner is a legally constituted public body or non-profit entity with full authority and capability to perform the terms of its agreement and to pay damages if necessary in the event of failure to perform.

VII. QUESTIONS

Questions about the applications or the Section 531 program can be answered by calling the PRIDE office at 606-677-6000.

**INFORMATION SHEET
PROPOSED PROJECT
SECTION 531
INNOVATIVE PROJECT CATEGORY**

This information is necessary to properly rate your project proposal. Please provide a complete description for all of the items below that are relevant to your project. The PRIDE office can answer any questions regarding this information. The numbered items correspond with those on the rating sheet and the remaining items will provide pertinent information regarding your project proposal.

- 1. Readiness** - How far along in the project planning process are you? Do you have a concept design? A preliminary design? Are plans and specs completed?
- 2. Likelihood of successful performance** - Tell us about the project. Has this type of project been built before and if so where? How successful was it?
- 3. System Size (Total Customers) Need** - List number of customers served, number of direct discharges eliminated, etc.
- 4. Cost effectiveness** - How much does the project cost? What is the total cost (include design, construction, and supervision)?
- 5. Public health/urgency** - Does this project serve an area that currently has no service? Does this project improve an inadequate facility? Does this project address a facility that is currently in violation? Does this project address a facility with an operation and maintenance problem?
- 6. Potential for technology transfer** - How easy is this project to operate? Does it require special licensing or schooling?
- 7. Proximity to Existing Projects** – How close is the nearest existing connection point? Are there any plans to provide a traditional system? If so, when?
- 8. Ability to operate and maintain** - How will you pay for the operation and maintenance of the project? Who will operate and maintain the system? Are they certified?

Relationship to overall county or area-wide wastewater management plan - Does your project supplement the overall county plan? Does it serve a need not addressed by the overall countywide plan?

Complexity - Tell us about the project. How many components does it have? Is it just a collection system? Is it a treatment upgrade or is it a total system?

Other committed funding - Have you applied for other grants or low interest loans for this project? If so, have you received any of these funds? Are any of the funds pending? Are any of the funds provided on a provisional basis?

Other information - Please list other information that is pertinent to this project but is not addressed in the above questions.

**SECTION 531 WASTEWATER
PROJECT EVALUATION**

INNOVATIVE PROJECTS CATEGORY

1. Readiness

None	Concept design	Preliminary	Design complete	P&S complete
0	4	6	8	10

10 PTS POS
PTS REC

2. Likelihood of Performance

Low	Fair	High
5	10	15

15 PTS POS
PTS REC

3. System Size - Total Customers

<20	20-40	40-80	80-150	>150
2	4	6	8	10

10 PTS POS
PTS REC

4. Cost Effectiveness (Cost per customer)

>\$14000	\$14000-\$9000	\$9000-\$4000	<\$4000
1	4	7	10

10 PTS POS
PTS REC

5. Public Health Need (with input from Health Dept.)

No Service	Facility in Violation	Facility Inadequate	O&M Problems	No Problems
20	10	5	3	0

20 PTS POS
PTS REC

6. Technology Transfer Potential

Difficult	Fair	Easy
5	10	15

15 PTS POS
PTS REC

7. Proximity to Existing Projects

<1 MI	1-3MI	3-5MI	>5MI
2	5	10	15

15 PTS POS
PTS REC

8. Ability to O&M (to be completed by Div. of Water)

0 to 15

15 PTS POS

PTS REC

TOTAL RECEIVED

PTS REC

**INFORMATION SHEET
PROPOSED PROJECT
SECTION 531
RURAL AREA PROJECT CATEGORY**

This information is necessary to properly rate your project proposal. Please provide a complete description for all of the items below that are relevant to your project. The PRIDE office can answer any questions regarding this information. The numbered items correspond with those on the rating sheet and the remaining items will provide pertinent information regarding your project proposal.

- 1. Readiness** - How far along in the project planning process are you? Do you have a concept design? A preliminary design? Are plans and specs completed?
- 2. System Size (Total Customers) Need** - List number of customers served, number of direct discharges eliminated, etc.
- 3. Proximity to Existing Projects** – How close is this project to existing systems? (Hint: the closer, the better)
- 4. Cost effectiveness** - How much does the project cost per household? What is the total cost (design, construction and supervision)?
- 5. Other committed funding** - Have you applied for other grants or low interest loans for this project? If so, have you received any of these funds? Are any of the funds pending? Are any of the funds provided on a provisional basis?
- 6. Public health/urgency** - Does this project serve an area that currently has no service? Does this project improve an inadequate facility? Does this project address a facility that is currently in violation? Does this project address a facility with an operation and maintenance problem?
- 7. Ability to operate and maintain** - How will you pay for the operation and maintenance of the project? Who will operate and maintain the system? Are they certified?

Relationship to overall county or area-wide wastewater management plan - Does your project supplement the overall county plan? Does it serve a need not addressed by the overall countywide plan?

Complexity - Tell us about the project. How many components does it have? Is it just a collection system? Is it a treatment upgrade or is it a total system?

Other information - Please list other information that is pertinent to this project but is not addressed in the above questions.

**SECTION 531 WASTEWATER
PROJECT EVALUATION**

RURAL AREA PROJECTS

1. Readiness

None	Concept	Preliminary	Design complete	P&S complete
0	6	8	10	15

15 PTS POS
PTS POS

2. System Size - Total Customers

<20	20-40	40-80	80-150	>150
10	13	15	17	20

20 PTS POS
PTS REC

**3. Proximity to Existing Projects
(Use Greatest Distance)**

<1 MI	1-3MI	3-5MI	>5MI
15	10	5	2

15 PTS POS
PTS REC

**4. Cost Effectiveness (Cost per
customer)**

>\$6500	\$6499-\$4500	\$4499-\$2500	<\$2500
1	4	7	10

10 PTS POS
PTS REC

5. Other Funding Committed

NO	YES
0	5

5 PTS POS
PTS REC

**6. Public Health Need (with input
from Health Dept.)**

No Service	Facility in Violation	Facility Inadequate	O&M Problems	No Problems
20	10	5	3	0

20 PTS POS
PTS REC

**7. Ability to O&M (to be completed
by Div. of Water)**

0 to 15

15 PTS POS

PTS REC

TOTAL RECEIVED

PTS REC

**INFORMATION SHEET
PROPOSED PROJECT
SECTION 531
NEED-A-BOOST PROJECT CATEGORY**

This information is necessary to properly rate your project proposal. Please provide a complete description for all of the items below that are relevant to your project. The PRIDE office can answer any questions regarding this information. The numbered items correspond with those on the rating sheet and the remaining items will provide pertinent information regarding your project proposal.

- 1. Readiness** - How far along in the project planning process are you? Do you have a concept design? A preliminary design? Are plans and specs completed?
 - 2. System Size (Total Customers) Need** - List number of customers served, number of direct discharges eliminated, etc.
 - 3. Complexity** - Tell us about the project. How many components does it have? Is it just a collection system? Is it a treatment upgrade or is it a total system?
 - 4. Other committed funding** - Have you applied for other grants or low interest loans for this project? If so, have you received any of these funds? Are any of the funds pending? Are any of the funds provided on a provisional basis?
 - 5. Public health/urgency** - Does this project serve an area that currently has no service? Does this project improve an inadequate facility? Does this project address a facility that is currently in violation? Does this project address a facility with an operation and maintenance problem?
 - 6. Ability to operate and maintain** - How will you pay for the operation and maintenance of the project?
- Cost effectiveness** - How much does the project cost?
- Relationship to overall county or area-wide wastewater management plan** - Does your project supplement the overall county plan? Does it serve a need not addressed by the overall countywide plan?
- Other information** - Please list other information that is pertinent to this project but is not addressed in the above questions.

**SECTION 531 WASTEWATER
PROJECT EVALUATION**

NEED-A-BOOST PROJECTS

1. Readiness

None	Concept design	Preliminary	Design complete	P&S complete
0	6	9	12	15

15 PTS POS
PTS POS

2. System Size - Total Customers

<200	201-400	401-800	801-1500	>1500
2	4	6	8	10

10 PTS POS
PTS REC

3. Project Complexity

Treatment Upgrade	Collection (New or Upgrade)	Total System
6	8	10

10 PTS POS
PTS REC

**4. Other Funding Committed (531
\$ as a Percent of Total Project)**

Low (>75%)	Medium (75-50%)	High (50%-25%)	Very High (<25%)
0	5	10	15

15 PTS POS
PTS REC

**5. Public Health Need (with input
from Health Dept.)**

No Service	Facility in Violation	Facility Inadequate	O&M Problems	No Problems
20	10	5	3	0

20 PTS POS
PTS REC

**6. Ability to O&M (to be completed
by Div. of Water)**

0 to 15

15 PTS POS

PTS REC

TOTAL RECEIVED

PTS REC

DRAFT LETTER FOR SECTION 531 FUNDING

Dear XXXXXXXXXXXXX,

I am writing today, on behalf of the Wildcat County Water District, to request technical and financial assistance from the PRIDE program and the U.S. Army Corps of Engineers for an innovative wastewater treatment technology demonstration project.

The district has identified a location in the Smith community of Wildcat County for a wetland sewerage treatment system. The specific area of 25 homes is unable to have effective septic systems due to poor soil conditions and the local health department has indicated that the sewage runoff from these septic systems represents a severe health hazard.

The Wildcat County Water District has agreed to provide the operation and maintenance of this wetland treatment system if assistance and funding are approved.

Thank you in advance for consideration of this request. If you need additional information, please contact me at (606) 555-5555.

Sincerely yours,

Cawood Rupp
Wildcat County Judge-Executive

DRAFT - LETTER FOR PRIDE APPLICATION PROCESS

Dear XXXXXXXXXXXX,

Please accept this letter from the City of Lucky as a proposal for funding through the Section 531 program of the U.S. Army Corps of Engineers.

We are requesting that you consider our proposal under your Section 531 project review criteria. If selected, we would use the funds as part of a \$2,000,000 sewage collection line extension project for the Charms Creek section adjacent to the city limits. The additional funding for this project is being requested from the Appalachian Regional Commission and the Rural Development Administration.

This is a much-needed project for the City of Lucky and helps fulfill the objectives of the PRIDE program. Through this project, the city anticipates being able to eliminate 30 straight pipe discharges and 100 inadequate or failing home septic systems. In all, 175 new customers will receive sewage treatment and collection line service through this project. It will also have a significant impact on the water quality of Charms Creek and its tributaries.

Thank you in advance for your time and attention to this request. If you need additional information, please contact me at (606) 555-5555.

Sincerely yours,

Joe Keebler
Mayor, City of Lucky